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STEVE TUTTLE
RENO JUSTICE COURT
L. Oberman

IN THE JUSTICE COURT OF RENO TOWNSHIP

IN AND FOR THE COUNTY OF WASHOE, STATE OF NEVADA

STATE OF NEVADA,

Plaintiff,

v.

JACK ALBERT SCHWARTZ,

Defendant.

RCR 2011061357

Case No. _____

Dept. No. 4

CRIMINAL COMPLAINT

The State of Nevada by and through CATHERINE CORTEZ MASTO, Attorney General, and DAVID K. NEIDERT, Senior Deputy Attorney General, complains and charges JACK ALBERT SCHWARTZ, the above-named defendant, with having committed the offenses of SECURITIES FRAUD (5 counts), a violation of NRS 90.570. THEFT (10 counts), a violation of NRS 205.0832(b) or 205.0832(c), within Reno Township, Washoe County, Nevada, committed as follows:

COUNT I

SECURITIES FRAUD

a Category B Felony in violation of NRS 90.570(2) and NRS 90.650(1)

That the defendant, JACK ALBERT SCHWARTZ, did willfully, unlawfully, and feloniously, make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made not misleading in the light of the circumstances under which they are made, in the following manner: that in November 2005, Steve Brazelton invested \$30,000 with Schwartz and entered into a subscription agreement with him so that Sierra High Technology Ventures, LLC ("SHTV"), a limited liability company controlled by Schwartz, could invest in a company called Barricade

1 International, Inc. Schwartz never made such an investment on Brazelton's behalf in
2 Barricade or any other company. Brazelton made this investment by presenting
3 Schwartz with a check in Reno Township, Washoe County, Nevada.

4 The State further alleges that Schwartz committed this crime in a secret manner,
5 assuring Brazelton in May, 2008 that "we are looking forward to a productive year in the
6 venture industry, with our companies all progressing and growing into successful
7 operating entities with high profits."

8 All of which constitutes the crime of Securities Fraud, a Category B Felony in
9 violation of NRS 90.570(2) and NRS 90.650(1).

10 COUNT II

11 THEFT

12 a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
13 NRS 205.0835(4)

14 That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully
15 control the property of another person with the intent to deprive that person of the
16 property and/or did make a material misrepresentation and obtained the personal
17 property of another with the intent to deprive that person of his property in an amount in
18 excess of \$2,500.00, in the following manner: that on or about November 23, 2005, an
19 investment check in the amount of \$30,000, made by Steve Brazelton, was deposited
20 into SHTV LLC's bank account in Reno Township, Washoe County, Nevada, for the
21 sole purpose of making investments on Brazelton's behalf. That subsequently,
22 Schwartz converted this \$30,000 to his personal use.

23 The State further alleges that Schwartz committed this crime in a secret manner,
24 assuring Brazelton in May, 2008 that "we are looking forward to a productive year in the
25 venture industry, with our companies all progressing and growing into successful
26 operating entities with high profits."

27 All of which constitutes the crime of Theft, a Category B felony in violation of
28 NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

COUNT III

SECURITIES FRAUD

a Category B Felony in violation of NRS 90.570(2) and NRS 90.650(1)

That the defendant, JACK ALBERT SCHWARTZ, did willfully, unlawfully, and feloniously, make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made not misleading in the light of the circumstances under which they are made, in the following manner, that in January, 2006, Warner Griswold paid Schwartz \$50,000 for Schwartz to invest in Barricade International. Schwartz never made such an investment on Griswold's behalf in Barricade or any other company. Griswold made this investment by presenting Schwartz with a check in Reno Township, Washoe County, Nevada.

The State further alleges that Schwartz committed this crime in a secret manner, assuring Griswold in May, 2008 that "we are looking forward to a productive year in the venture industry, with our companies all progressing and growing into successful operating entities with high profits."

All of which constitutes the crime of Securities Fraud, a Category B Felony in violation of NRS 90.570(2) and NRS 90.650(1).

COUNT IV

SECURITIES FRAUD

a Category B Felony in violation of NRS 90.570(2) and NRS 90.650(1)

That the defendant, JACK ALBERT SCHWARTZ, did willfully, unlawfully, and feloniously, make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made not misleading in the light of the circumstances under which they are made, in the following manner, that in February, 2007, Warner Griswold invested \$100,000 and entered into a subscription agreement for Schwartz to invest in Oil Sands Focculants, Ltd. Schwartz never made such an investment on Griswold's behalf in Oil Sands Focculants, Ltd. or any other company.

....

1 Griswold made this investment by presenting Schwartz with the money in Reno
2 Township, Washoe County, Nevada.

3 The State further alleges that Schwartz committed this crime in a secret manner,
4 assuring Griswold in May, 2008 that "we are looking forward to a productive year in the
5 venture industry, with our companies all progressing and growing into successful
6 operating entities with high profits."

7 All of which constitutes the crime of Securities Fraud, a Category B Felony in
8 violation of NRS 90.570(2) and NRS 90.650(1).

9 COUNT V

10 THEFT

11 a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
12 NRS 205.0835(4)

13 That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully
14 control the property of another person with the intent to deprive that person of the
15 property and/or did make a material misrepresentation and obtained the personal
16 property of another with the intent to deprive that person of his property in an amount in
17 excess of \$2,500.00, in the following manner: that on or about January 18, 2006, an
18 investment check in the amount of \$50,000, made by Warner Griswold, was deposited
19 into SHTV LLC's bank account in Reno Township, Washoe County, Nevada, for the
20 sole purpose of making investments on Griswold's behalf. That subsequently, Schwartz
21 converted this \$50,000 to his personal use.

22 The State further alleges that Schwartz committed this crime in a secret manner,
23 assuring Griswold in May, 2008 that "we are looking forward to a productive year in the
24 venture industry, with our companies all progressing and growing into successful
25 operating entities with high profits."

26 All of which constitutes the crime of Theft, a Category B felony in violation of
27 NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

28

COUNT VI

THEFT

a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
NRS 205.0835(4)

That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully control the property of another person with the intent to deprive that person of the property and/or did make a material misrepresentation and obtained the personal property of another with the intent to deprive that person of his property in an amount in excess of \$2,500.00, in the following manner: that on or about February 6, 2006, an investment check in the amount of \$100,000, made by Warner Griswold, was deposited into SHTV, LLC's bank account in Reno Township, Washoe County, Nevada, for the sole purpose of making investments on Griswold's behalf. That subsequently, Schwartz converted this \$100,000 to his personal use.

The State further alleges that Schwartz committed this crime in a secret manner, assuring Griswold in May, 2008 that "we are looking forward to a productive year in the venture industry, with our companies all progressing and growing into successful operating entities with high profits."

All of which constitutes the crime of Theft, a Category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

COUNT VII

THEFT

a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
NRS 205.0835(4)

That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully control the property of another person with the intent to deprive that person of the property and/or did make a material misrepresentation and obtained the personal property of another with the intent to deprive that person of his property in an amount in excess of \$2,500.00, in the following manner: that on or about 2005, Schwartz told Ravi

1 Bhola he was seeking investors for his company, SHTV, LLC.. Subsequently on or
2 about June 12, 2006 and June 23, 2006, investment checks in the amount of \$25,000
3 and \$50,000, made by Bhola, were deposited into SHTV LLC's bank account in Reno
4 Township, Washoe County, Nevada, for the sole purpose of making future investments
5 on Bhola's behalf. That subsequently, Schwartz converted this \$75,000 to his personal
6 use.

7 The State further alleges that Schwartz committed this crime in a secret manner,
8 assuring Bhola in October, 2008 that Schwartz would return Bhola's investment money
9 by October 27, 2008. Bhola never received his monies as promised by Schwartz.

10 All of which constitutes the crime of Theft, a Category B felony in violation of
11 NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

12 **COUNT VIII**

13 **THEFT**

14 a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
15 NRS 205.0835(4)

16 That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully
17 control the property of another person with the intent to deprive that person of the
18 property and/or did make a material misrepresentation and obtained the personal
19 property of another with the intent to deprive that person of his property in an amount in
20 excess of \$2,500.00, in the following manner: that on or about 2006, Schwartz told
21 Peter Chambers that they would make a good management team and that they should
22 pool their monies for investment purposes. Subsequently on or about May 15, 2006
23 and October 10, 2006, investment checks in the amount of \$25,000 and \$75,000, made
24 by Chambers, were deposited into SHTV LLC's bank account in Reno Township,
25 Washoe County, Nevada, for the sole purpose of making future investments on
26 Chamber's behalf. That subsequently, Schwartz converted this \$100,000 to his
27 personal use.

28

1 The State further alleges that Schwartz committed this crime in a secret manner
2 by assuring Chambers that Chambers' money would be used for investment purposes.

3 All of which constitutes the crime of Theft, a Category B felony in violation of
4 NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

5 **COUNT IX**

6 **SECURITIES FRAUD**

7 a Category B Felony in violation of NRS 90.570(2) and NRS 90.650(1)

8 That the defendant, JACK ALBERT SCHWARTZ, did willfully, unlawfully, and
9 feloniously, make an untrue statement of a material fact or omit to state a material fact
10 necessary in order to make the statements made not misleading in the light of the
11 circumstances under which they are made, in the following manner, that in February,
12 2007, Katherine Viragh invested \$200,000 and entered into a subscription agreement
13 for Schwartz to invest in Oil Sands Focculants, Ltd. Schwartz never made such an
14 investment on Viragh's behalf in Oil Sands Focculants, Ltd. or any other company.
15 Viragh made this investment by presenting Schwartz with the money in Reno Township,
16 Washoe County, Nevada.

17 The State further alleges that Schwartz committed this crime in a secret manner,
18 Sending Viragh a release and compromise agreement in March, 2008, agreeing to
19 return Viragh's investment – and never did so.

20 All of which constitutes the crime of Securities Fraud, a Category B Felony in
21 violation of NRS 90.570(2) and NRS 90.650(1).

22 **COUNT X**

23 **SECURITIES FRAUD**

24 a Category B Felony in violation of NRS 90.570(2) and NRS 90.650(1)

25 That the defendant, JACK ALBERT SCHWARTZ, did willfully, unlawfully, and
26 feloniously, make an untrue statement of a material fact or omit to state a material fact
27 necessary in order to make the statements made not misleading in the light of the
28 circumstances under which they are made, in the following manner, that in May, 2007,

1 Katherine Viragh invested \$200,000 and entered into a subscription agreement for
2 Schwartz to invest in a movie project known as "Tahoe Blue." Schwartz never made
3 such an investment on Viragh's behalf in "Tahoe Blue" or in any other company. Viragh
4 made this investment by presenting Schwartz with the money in Reno Township,
5 Washoe County, Nevada.

6 The State further alleges that Schwartz committed this crime in a secret manner,
7 with Schwartz sending Viragh a release and compromise agreement in March, 2008,
8 agreeing to return Viragh's investment – and never did so.

9 All of which constitutes the crime of Securities Fraud, a Category B Felony in
10 violation of NRS 90.570(2) and NRS 90.650(1).

11 **COUNT XI**

12 **THEFT**

13 a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
14 NRS 205.0835(4)

15 That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully
16 control the property of another person with the intent to deprive that person of the
17 property and/or did make a material misrepresentation and obtained the personal
18 property of another with the intent to deprive that person of his property in an amount in
19 excess of \$2,500.00, in the following manner: that on or about 2006 or 2007, Schwartz
20 told Katherine Viragh he was seeking investors for Oil Sands Focculants, Ltd.

21 Subsequently on or about February 13, 2007 and February 22, 2007,
22 investments in the amount of \$20,000 and \$180,000, made by Viragh, were deposited
23 into SHTV LLC's and Tahoe Venture Partners' ("TVP LLC") bank accounts in Reno
24 Township, Washoe County, Nevada, for the sole purpose of making investments on
25 Viragh's behalf in Oil Sands Focculants, Ltd. TVP LLC is another entity controlled by
26 Schwartz. That subsequently, Schwartz converted this \$200,000 to his personal use.

27

28

1 The State further alleges that Schwartz committed this crime in a secret manner,
2 with Schwartz sending Viragh a release and compromise agreement in March, 2008,
3 agreeing to return Viragh's investment – and never did so.

4 All of which constitutes the crime of Theft, a Category B felony in violation of
5 NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

6 **COUNT XII**

7 **THEFT**

8 a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
9 NRS 205.0835(4)

10 That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully
11 control the property of another person with the intent to deprive that person of the
12 property and/or did make a material misrepresentation and obtained the personal
13 property of another with the intent to deprive that person of his property in an amount in
14 excess of \$2,500.00, in the following manner: that on or about 2007, Schwartz told
15 Katherine Viragh he was seeking investors for a movie venture known as "Tahoe Blue."

16 Subsequently on or about May 24, 2007, investments in the amount of \$200,000,
17 made by Viragh, were deposited into Sierra High Technology Group, LLC's ("SHTG
18 LLC") bank account in Reno Township, Washoe County, Nevada, for the sole purpose
19 of making investments on Viragh's behalf in "Tahoe Blue." SHTG LLC is another entity
20 controlled by Schwartz. That subsequently, Schwartz converted this \$200,000 to his
21 personal use.

22 The State further alleges that Schwartz committed this crime in a secret manner,
23 with Schwartz sending Viragh a release and compromise agreement in March, 2008,
24 agreeing to return Viragh's investment – and never did so.

25 All of which constitutes the crime of Theft, a Category B felony in violation of
26 NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

27

28

COUNT XIII

THEFT

a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
NRS 205.0835(4)

That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully control the property of another person with the intent to deprive that person of the property and/or did make a material misrepresentation and obtained the personal property of another with the intent to deprive that person of his property in an amount in excess of \$2,500.00, in the following manner: that on or about 2007, Pete Chambers told Hossein Khoddami that TVP LLC was seeking investors for three projects involving fire prevention, cartilage regeneration, and geothermal technology.

Subsequently on or about June 1, 2007, investments in the amount of \$100,000, made by Khoddami, were deposited into TVP LLC's bank account in Reno Township, Washoe County, Nevada. Khoddami received a subscription agreement from Schwartz stating that "The Venture Fund has been founded for the purposes of investment in venture capital investments." That subsequently, Schwartz converted this \$100,000 to his personal use.

The State further alleges that Schwartz committed this crime in a secret manner, with Schwartz sending Khoddami a letter stating that the monies would be used in "exciting new ventures in which the Fund will be investing."

All of which constitutes the crime of Theft, a Category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

COUNT XIV

THEFT

a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
NRS 205.0835(4)

That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully control the property of another person with the intent to deprive that person of the

1 property and/or did make a material misrepresentation and obtained the personal
2 property of another with the intent to deprive that person of his property in an amount in
3 excess of \$2,500.00, in the following manner: that on or about 2007, Pete Chambers
4 told Jim Francis that TVP LLC was seeking investors for three projects involving fire
5 prevention, artificial joints, and geothermal technology.

6 Subsequently on or about September 24, 2007, investments in the amount of
7 \$100,000, made by Francis, were deposited into TVP LLC's bank account in Reno
8 Township, Washoe County, Nevada. Francis received a subscription agreement from
9 Schwartz stating that "The Venture Fund has been founded for the purposes of
10 investment in such venture capital investments as the General Partner in its experience
11 and judgment approves." That subsequently, Schwartz converted this \$100,000 to his
12 personal use.

13 The State further alleges that Schwartz committed this crime in a secret manner,
14 with Schwartz sending Francis a letter stating that the monies would be used in "exciting
15 new ventures in which the Fund will be investing," and assuring Francis that his money
16 would be used solely for investment purposes.

17 All of which constitutes the crime of Theft, a Category B felony in violation of
18 NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

19 **COUNT XV**

20 **THEFT**

21 a category B felony in violation of NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and
22 NRS 205.0835(4)

23 That the defendant, JACK ALBERT SCHWARTZ, did knowingly and unlawfully
24 control the property of another person with the intent to deprive that person of the
25 property and/or did make a material misrepresentation and obtained the personal
26 property of another with the intent to deprive that person of his property in an amount in
27 excess of \$2,500.00, in the following manner: that on or about June, 2008, Schwartz
28

1 told Marilyn Rappaport he was seeking investors "to get on the ground floor" for start-up
2 companies.

3 Subsequently on or about June 16, 2008, investments in the amount of \$50,000,
4 made by Rappaport, were deposited into TVP LLC's bank account in Reno Township,
5 Washoe County, Nevada, for the sole purpose of making investments on Rappaport's
6 behalf. That subsequently, Schwartz converted this \$50,000 to his personal use.

7 All of which constitutes the crime of Theft, a Category B felony in violation of
8 NRS 205.0832(1)(b) and/or NRS 205.0832(1)(c) and NRS 205.0835(4).

9 All of which is contrary to the form, force and effect of the statutes in such cases
10 made and provided, and against the peace and dignity of the State of Nevada.

11 WHEREFORE, the undersigned complainant requests that a Warrant be issued
12 so that the Defendant may be hailed into Court and answer to the charges according to
13 law.

14 DATED this 29th day of April, 2011.

15 CATHERINE CORTEZ MASTO
16 Attorney General

17 By: 

18 DAVID K. NEIDERT
19 Senior Deputy Attorney General
20 Nevada Bar No. 4342
21 Workers Compensation Fraud Unit
22 5420 Kietzke Lane, Suite 202
23 Reno, Nevada 89511
24 (775) 688-1818

25 ATTORNEY FOR STATE OF NEVADA
26
27
28

FILED

AFFIDAVIT IN SUPPORT OF ARREST WARRANT

2011 APR 29 PM 3:18

STATE OF NEVADA)

ss:

STEVE TUTTLE
RENO JUSTICE COURT
BY L. Oberman
DEPUTY

COUNTY OF WASHOE)

I, DAVID R. EVANS, being first duly sworn, deposes and states:

I am the Affiant herein and I am an investigator with the State of Nevada, Secretary of State, Securities Division (DIVISION). This Affidavit is made of my own personal knowledge, except where stated on information and belief, as to those matters, I believe them to be true and if called as a witness, I could competently testify thereto.

I have been employed by the DIVISION for fifteen years (15) years of which the last nine (9) years has been in law enforcement. I have received a bachelor's degree in business administration from the University of Nevada-Reno. As an investigator, I have investigated numerous criminal offenses, including securities fraud, embezzlement, and forgery. I have attended various in-service training courses including: Analytical Investigation Methods; Financial Manipulation Analysis; and Financial Investigations Practical Skills.

The DIVISION is charged with enforcing Chapters 90 and 91 of Nevada Revised Statutes and Chapter 90 of the Nevada Administrative Code.

I was assigned to investigate **Jack Albert Schwartz** ("**SCHWARTZ**") for selling securities in the form of subscription agreements and partnership interests. During the investigation I learned facts, which lead me to believe that **SCHWARTZ** committed the following offenses, at and within the County of Washoe, State of Nevada:

Jack Albert Schwartz:

1. **SECURITIES FRAUD**, a felony, in violation of NRS 90.570.2, (5 Counts)
2. **THEFT**, a felony, in violation of NRS 205.0832.1.C (8 Counts)
3. **THEFT**, a felony, in violation of NRS 205.0832.1.B (2 Counts)

1 In support of the assertion to constitute the existence of probable cause for the
2 requested warrant, the following facts are offered:

3
4 Jack Schwartz is an individual who at all pertinent times maintained a residence in
5 Nevada. **SCHWARTZ'S** last known physical address is 430 Andrew Lane, Reno, Washoe
6 County, Nevada 89521, and mailing address of 18124 Wedge Parkway #250, Reno, Washoe
7 County, Nevada 89511.

8 Nevada Securities Division Records show **SCHWARTZ** passed the General Securities
9 Representative exam, Series 7, on January 16, 1988, and worked as a securities
10 representative in California as follows:

11 Christopher Weil & Company, Inc	April 1988 to November 1988
12 Integrated Resources Equity Corporation	November 1988 to April 1989
13 American Investors Company	March 1991 to March 1992

14 **SCHWARTZ** was admitted to The State Bar of California in 1978, but has not been an
15 active member since 2005.

16 Sierra High Technology Group, LLC ("**SHTG, LLC**") is a California Limited Liability
17 Company created in 2000, and is in active status with **SCHWARTZ** listed as the Agent for
18 Service of Process.

19 Sierra High Technology Ventures, LLC ("**SHTV, LLC**") was a Nevada Limited Liability
20 Company created in 2002. **SCHWARTZ** was its sole manager.

21 Tahoe Venture Partners, LLC ("**TVP, LLC**") was a Nevada Limited Liability Company
22 created in 2007. **SCHWARTZ** was listed as its registered agent and sole manager.

23 Tahoe Venture Fund, L.P. ("**Tahoe Venture Fund**") was a Nevada limited partnership
24 created in 2007. **SCHWARTZ** was listed as its registered agent and **TVP, LLC** as its general
25 partner.

26 Tahoe Blue Productions, L.P. ("**Tahoe Blue**") was a Nevada limited partnership
27 created 2007. **SCHWARTZ** was listed as the registered agent and general partner of **Tahoe**
28 **Blue**.

1 I began my investigation in December 2008, after being assigned the case. The case
2 file was opened on December 23, 2008, in response to a complaint filed with the DIVISION by
3 James and Marilyn Rappaport of Reno, NV. Based upon interviews with victims, witnesses,
4 and review of corporate records, your Affiant found that between November 2005 and June
5 2008, **SCHWARTZ** raised approximately \$1,005,000.00 from eight investors who purchased
6 partnership interests, subscription agreements, and an earnest money deposit agreement.
7 **SCHWARTZ** had told investors that their monies would be invested in high technology
8 ventures, or placed in holding accounts pending investment, when in reality **SCHWARTZ**
9 converted investor funds to his own personal use, and no monies were invested as
10 represented by **SCHWARTZ**.

11 My investigation found that **SCHWARTZ** represented to investors that they could
12 receive ownership interests in start-up companies that would pay returns in excess of twenty
13 percent (20%) interest. Investors were told they could invest in increments ranging from
14 \$30,000.00 to \$250,000.00.

15 In interviews with complainants, I found they had been told that **TVP, LLC** and other
16 companies controlled by **SCHWARTZ**, were looking to invest in several start-up companies to
17 include: Barricade International, Inc, Orthogene, LLC, Oil Sands Flocculants, Ltd, and a movie
18 production venture through **Tahoe Blue**. I then contacted representatives of the above
19 mentioned companies and found that **SCHWARTZ** had met with these representatives, and
20 told them that he could raise investor monies for their projects, and in the case of Orthogene,
21 LLC and Barricade International, Inc, had written agreements to do so. However, **SCHWARTZ**
22 never followed through with these companies, and never provided them with investor monies.

23 Based on interviews with victims and documents they provided, subpoenas were issued
24 for **SCHWARTZ'S** limited liability company bank accounts at Wells Fargo Bank, Bank of
25 America, and Heritage Bank of Nevada. Analysis of **SCHWARTZ'S** bank accounts confirmed
26 what investors had told me; that **SCHWARTZ** had raised \$300,000.00 for the Oil Sands
27 Flocculants, Ltd project; \$60,000.00 for the Barricade International, Inc project; \$10,000.00 for
28 the Orthogene, LLC project; \$200,000.00 for a **Tahoe Blue** movie project; and another

1 \$435,000.00 to be invested in projects identified by **SCHWARTZ** at a later time.

2 Further review of **SCHWARTZ'S** bank accounts found a pattern of activity of investor
3 monies being deposited into business accounts, and then moved in multiple transactions to
4 personal accounts. Analysis found that over \$400,000.00 of investor monies deposited into
5 business accounts, was transferred to personal accounts under the control of **Jack Schwartz**.
6 This transfer of investor monies from business accounts to personal accounts occurred in over
7 40 separate transactions. Analysis also found that over \$200,000.00 of investor monies were
8 transferred to, or deposited into accounts for the benefit of **SCHWARTZ'S** ex-wife, Helen
9 Schwartz, now Helen DiLauro. Analysis of **SCHWARTZ'S** personal accounts found investor
10 monies being used to make mortgage payments, credit card payments, and cash withdrawals.

11 **COUNT 1**
12 **SECURITIES FRAUD**

13 **Victim: Steve Brazelton:**

14 Brazelton said that prior to investing he had known **SCHWARTZ** for over 10 years, and
15 had played tennis with him on many occasions.

16 Between September and October 2005, **SCHWARTZ** started talking to Brazelton about
17 investing in a company called Barricade International, Inc, and how this company was involved
18 in the manufacture of a fire blocking gel; and another company called Orthogene, LLC, that
19 was involved in developing drugs to treat osteoarthritis. Brazelton stated that he was told by
20 **SCHWARTZ** that he could earn a good return on his investment, if he invested monies with
21 **SCHWARTZ**.

22 In November 2005, Brazelton invested \$30,000.00 with **SCHWARTZ** through **SHTV**,
23 **LLC**. Brazelton received a Subscription Agreement for his investment that states on the first
24 page that "Identified client companies at the time of execution of this agreement are Barricade
25 International, Inc...and Orthogene, LLC" and that **SHTV, LLC** was seeking to enter into
26 another contract with a geothermal technology opportunity. The Subscription Agreement also
27 states that "\$10,000.00 each" would be invested in Barricade International, Inc and Orthogene,
28 **LLC**.

1 My interviews with John Bartlett, owner of Barricade International, Inc, and Robert
2 Shaw, owner of Orthogene, LLC, found that none of Brazelton's investment monies were ever
3 invested in the above mentioned projects.

4 Analysis of **SCHWARTZ'S** bank accounts found that Brazelton's investment monies
5 were deposited into a **SHTV, LLC** bank account, where a significant portion of his monies
6 were transferred to Helen Schwartz and cash withdrawn out.

7 In May 2008, Brazelton received an upbeat email from **SCHWARTZ** stating "We are
8 looking forward to a productive year in the venture industry, with our companies all progressing
9 and growing into successful operating entities with high profits." At this time, Brazelton felt his
10 investment with **SCHWARTZ** was safe.

11 In November 2009, Brazelton sent **SCHWARTZ** an email requesting an update from
12 **SCHWARTZ** on his investment, but never received a response from him.

13 In connection with the sale of a security in the form of a Subscription Agreement,
14 **SCHWARTZ** made untrue statements of material fact.

15 Brazelton's loss is \$30,000.00.

16 **COUNT 2**
17 **THEFT**

18 **Victim: Steve Brazelton:**

19 Bank records reveal that Brazelton's investment check of \$30,000.00 was deposited into a
20 **SHTV, LLC** account on 11/23/2005. Between November 23 and December 14, 2005, debits
21 to the account included but are not limited to \$12,000.00 to Helen Schwartz (transfer);
22 \$8,500.00 in cash withdrawals; \$1,900.00 to **SCHWARTZ'S** personal account (multiple
23 transfers); and other debits for Lakeridge Tennis Club, retail expenses, and rent fees.

24 Brazelton said he only authorized **SCHWARTZ** to use his investment funds for the purpose
25 of investing in Barricade International, Inc, Orthogene, LLC, and one other investment
26 opportunity identified in the future by **SCHWARTZ**.

27 **SCHWARTZ** obtained the personal property of Brazelton by material misrepresentations
28 with the intent to deprive.

**COUNTS 3-4
SECURITIES FRAUD**

Victim: Warner Griswold:

Griswold said he first met **SCHWARTZ** in December 2005 while vacationing in Hawaii, and that **SCHWARTZ** had told him that he was a venture capital investor who was involved with Barricade International, Inc, a company involved in the manufacture of a fire blocking gel. When Griswold returned from his vacation, he met with **SCHWARTZ** in Reno, NV and further discussed the Barricade International, Inc investment, at which time **SCHWARTZ** told him that he had some openings for investors in the Barricade International, Inc project.

SCHWARTZ told Griswold that he "**SCHWARTZ**" had a thirty three percent (33%) ownership interest in Barricade International, Inc, and that Griswold's \$50,000.00 would be part of a \$250,000.00 investment being made by **SCHWARTZ** in Barricade International, Inc.

In January 2006, Griswold invested \$50,000.00 with **SCHWARTZ**. Griswold received a Subscription Agreement for his investment that states on the first page that "One of the companies currently identified for investment through the venture fund is Barricade International, Inc". "Subscriber hereby wishes to invest in Manufacturer through said venture fund of the Company which will take an equity interest in the Manufacturer as a Portfolio Company of the Company."

Griswold said that between December 2006 and January 2007, **SCHWARTZ** began talking to him about investing in another company called Oil Sands Flocculants, Ltd.

SCHWARTZ told Griswold, that if he invested, the monies would be used to invest in this project that was purportedly developing a product to purify water from the Oils Sands in Canada.

In February 2007, Griswold invested a total of \$100,000.00 with **SCHWARTZ**. Griswold received a Subscription Agreement for his investment that states "The investor desires to earmark this purchase of Interests specifically for the Oil Sands Flocculants, Ltd. venture".

In December 2007, Griswold received a letter from **SCHWARTZ** giving him the option of withdrawing his investments at the end of the first quarter in 2008, or keeping his monies in the Barricade and Oil Sands projects.

1 In March 2008, Griswold sent **SCHWARTZ** an email requesting that his monies be
2 returned. In May 2008, **SCHWARTZ** sent Griswold an upbeat email regarding the status of his
3 new offices, stating "We are looking forward to a productive year in the venture industry, with
4 our companies all progressing and growing into successful operating entities with high profits".
5 **SCHWARTZ** never responded to Griswold's request for a refund of his investment.

6 My interviews with John Bartlett, owner of Barricade International, Inc, and Ted
7 Sortwell, owner of Oils Sands Flocculants, Ltd, found that they never received any of
8 Griswold's investment monies.

9 Analysis of **SCHWARTZ'S** bank accounts did not find any of Griswold's monies being
10 invested in the Barricade International, Inc or Oil Sands Flocculants' projects, rather the
11 majority of his investment monies were transferred to personal accounts and used in ways that
12 would not have been authorized by Griswold.

13 Griswold's loss is \$150,000.00.

14 **COUNTS 5-6**
15 **THEFT**

16 **Victim: Warner Griswold:**

17 Bank records reveal that Griswold's initial investment of \$50,000.00 in Barricade
18 International, Inc, was deposited into a **SHTV, LLC** account on 1/18/2006. On the same day,
19 there was another deposit of \$50,000.00 from an unknown source. Between January 18 and
20 February 6, 2006, debits to the account included but are not limited to \$20,000.00 to Victor and
21 Sara Betancourt (Partial refund on their \$35,000.00 investment with **SCHWARTZ**); \$33,300.00
22 to **SCHWARTZ'S** personal account (multiple transfers); \$1,000.00 in cash withdrawals; and
23 other debits for computer stores and possible legal fees.

24 Bank records reveal that Griswold's second investment of \$100,000.00 in the Oil Sands
25 Flocculants, Ltd project was deposited into two accounts; \$10,000.00 into a **SHTV, LLC**
26 account on 2/13/2007; and \$90,000.00 into a **TVP, LLC** account on 2/28/2007. Investor
27 Katherine Viragh's investment check of \$20,000.00 was deposited into the **SHTV, LLC**
28 account on the same day that Griswold's investment of \$10,000.00 was deposited. Between
February 13 and February 22, 2007, debits to the **SHTV, LLC** account included but are not

1 limited to \$8,500.00 to Reed E Slatkin (wire); \$11,500.00 to **SCHWARTZ'S** personal account
2 (multiple transfers); and other debits for cash withdrawals and possible attorney fees.

3 Griswold said he only authorized **SCHWARTZ** to use his investment funds for the purpose
4 of investing in Barricade International, Inc and Oil Sands Flocculants, Ltd.

5 **SCHWARTZ** obtained the personal property of Griswold by material misrepresentations
6 with the intent to deprive.

7 **COUNT 7**
8 **THEFT**

8 **Victim: Ravi Bhola:**

9 Bhola said he was first introduced to **SCHWARTZ** in 2003 by a mutual friend in Lake
10 Tahoe. In or about 2005, **SCHWARTZ** told Bhola he was seeking investors for his company
11 **SHTV, LLC**. Bhola said he was told by **SCHWARTZ** that **SHTV, LLC** was researching
12 Barricade International, Inc, Orthogene, LLC, and Oil Sands Flocculants, Ltd, for possible
13 venture capital investment.

14 Bank records reveal that Bhola's investment checks of \$25,000.00 and \$50,000.00
15 were deposited into a **SHTV, LLC** account on 6/12/2006, and 6/23/2006 respectively.
16 Between June 12 and August 11, 2006, debits to the account included but are not limited to
17 \$56,600.00 to **SCHWARTZ'S** personal account (multiple transfers); and other debits for office
18 stores, hotels, and cash withdrawals.

19 Bhola said he only authorized **SCHWARTZ** to place his investment monies into a holding
20 account, and only spent after he and **SCHWARTZ** had decided to invest.

21 In October 2008, Bhola received an email from **SCHWARTZ** setting a disbursement date to
22 return Bhola's investment monies by October 27, 2008. Bhola never received his monies as
23 promised by **SCHWARTZ**.

24 **SCHWARTZ** obtained the personal property of Bhola by material misrepresentations with
25 the intent to deprive.

26 Bhola's loss is \$75,000.00.
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**COUNT 8
THEFT**

Victim: Pete Chambers:

Chambers said he was first introduced to **SCHWARTZ** in 2006 by investor Ravi Bhola. **SCHWARTZ** told Chambers that the two of them would make a good management team and that they could do their own due diligence on companies; and that their investment monies would be put together to fund new technologies and to purchase developing companies.

Bank records reveal that Chambers' investment check of \$25,000.00 was deposited into a **SHTV, LLC** account on 5/15/2006. Between May 15 and June 8, 2006, debits to the account included but are not limited to \$19,100.00 to **SCHWARTZ'S** personal account (multiple transfers); and other debits for office stores, and restaurant expenses.

Bank records reveal that Chambers' investment check of \$75,000.00 was deposited into a **SHTV, LLC** account on 10/10/2006, taking the account balance to \$88,514.48. On the same day, October 10, 2006, **SCHWARTZ** transferred \$87,500.00 from the **SHTV, LLC** account to his personal account.

In October 2007, Chambers received a K1 from **SCHWARTZ** showing losses of \$38,341.00 for the 2006 year.

Chambers said he only authorized **SCHWARTZ** to place his investment monies into a holding account, and only spent after he and **SCHWARTZ** had decided to invest in a developing company.

SCHWARTZ obtained the personal property of Chambers by material misrepresentations with the intent to deprive.

Chambers loss is \$100,000.00.

**COUNTS 9-10
SECURITIES FRAUD**

Victim: Katherine Viragh:

Viragh said she first met **SCHWARTZ** in December 2006 or early 2007 in Reno, NV. **SCHWARTZ** told Viragh that **TVP, LLC** was involved in innovative technologies that included: cartilage regeneration, fire suppression, waste water pollution, and geothermal power.

1 **SCHWARTZ** told Viragh that he was raising monies for the Oil Sands Flocculants, Ltd
2 project, and provided Viragh with documents regarding "flocculants technology". Viragh said
3 that **SCHWARTZ** had told her that he had a written agreement with Oil Sands Flocculants, Ltd
4 to raise monies for the company, and that she could receive up to a thirty percent (30%) return
5 on her investment in 2-5 years. Viragh said her monies were to be parked in a holding
6 account, and held until enough monies had been raised by **SCHWARTZ** for the Oil Sands
7 project.

8 In February 2007, Viragh invested \$200,000.00 with **SCHWARTZ**. Viragh received a
9 Subscription Agreement for her investment that states on the first page that "The Investor
10 desires to earmark this purchase of Interests specifically for the Oil Sands Flocculants, Ltd.
11 Venture".

12 Viragh said that in April 2007, **SCHWARTZ** began talking to her about investing in a
13 movie production venture. Sometime in May 2007, Viragh met with **SCHWARTZ** and movie
14 producer Norman Stephens regarding a **Tahoe Blue** movie production venture in South Africa.
15 Viragh received numerous documents to include: movie scripts, a draft private placement
16 memorandum, and a provisional schedule for the purported South African movie.

17 In May 2007, Viragh invested \$200,000.00 with **SCHWARTZ** in the **Tahoe Blue** movie
18 production project. Viragh received a Subscription Agreement for her investment that states
19 "The movies in which the Production Company intends to invest are in the independent and
20 made for television fields, with Norman Stephens and Ken Atchity serving as primary
21 producers for this offering".

22 In March 2008, **SCHWARTZ** sent Viragh a release and compromise agreement,
23 agreeing to return Viragh's investment monies, but never did.

24 My conversations with Ted Sortwell, owner of Oils Sands Flocculants, Ltd; and movie
25 producers Norman Stephens, and Ken Atchity; found that they never received any of Viragh's
26 investment monies. Additionally, Stephens and Atchity were not aware that **SCHWARTZ** had
27 solicited monies through a subscription agreement that named them as the primary producers
28 of the movies.

1 Analysis of **SCHWARTZ'S** bank accounts did not find any of Viragh's investment
2 monies being invested in Oil Sands Flocculants, Ltd, or a movie production project, rather the
3 majority of her investment monies were transferred to personal accounts and spent.

4 Viragh's loss is \$400,000.00.

5 **COUNTS 11-12**
6 **THEFT**

7 **Victim: Katherine Viragh:**

8 Bank records reveal that Viragh's total investment of \$200,000.00 in the Oil Sands
9 Flocculants, Ltd project was deposited into two accounts; \$20,000.00 into a **SHTV, LLC**
10 account on 2/13/2007; and \$180,000.00 into a **TVP, LLC** account on 2/22/2007. Investor
11 Warner Griswold's investment of \$10,000.00 was deposited into the **SHTV, LLC** account on
12 the same day as Viragh's \$20,000.00 investment check. Between February 13 and February
13 22, 2007, debits to the account included but are not limited to \$8,500.00 to Reed E Slatkin
14 (wire); \$11,500.00 to **SCHWARTZ'S** personal account (multiple transfers); and other debits for
15 cash withdrawals. Investor Warner Griswold's investment of \$90,000.00 was deposited into
16 the **TVP, LLC** account on 2/28/2007, less than a week after Viragh's \$180,000.00 investment
17 check was deposited into the same account. Between February 22 and May 21, 2007, debits
18 to the account included but not limited to \$107,300.00 to **SCHWARTZ'S** personal account
(multiple transfers).

19 Bank records reveal that Viragh's investment of \$200,000.00 in the movie production
20 venture was deposited into a **SHTG, LLC** account on 5/24/2007, taking the account balance to
21 \$200,199.71. Analysis of the **SHTG, LLC** account found that on 5/25/2007, **SCHWARTZ**
22 transferred \$195,000.00 to a **SHTV, LLC** account. Between May 24, 2007 and July 20, 2007,
23 Viragh's investment monies were used to pay \$70,000.00 to a Washington Mutual Account;
24 \$14,000.00 to Helen Schwartz; and other debits for office rent and cash withdrawals.

25 Viragh said she only authorized **SCHWARTZ** to use her investment funds for the purpose
26 of investing in Oil Sands Flocculants, Ltd and the **Tahoe Blue** movie venture.

27 **SCHWARTZ** obtained the personal property of Viragh by material misrepresentations with
28 the intent to deprive.

**COUNT 13
THEFT**

Victim: Hossein Khoddami:

Khoddami said he was first introduced to the **TVP, LLC** project in 2007 by investor Pete Chambers. Chambers told Khoddami that **TVP, LLC** was working on three projects involving fire prevention, cartilage regeneration, and geothermal technology. Khoddami said that he was told by Chambers that his investment monies would be used to purchase these companies or become a partner in the company.

Bank records reveal that Khoddami's investment of \$100,000.00 was deposited into a **TVP, LLC** account on 6/1/2007 taking the account balance to \$100,508.69. Between June 1 and September 21, 2007, debits to the account included but are not limited to \$17,500.00 to **SCHWARTZ'S** personal account (multiple transfers), \$9,000.00 cash withdrawal, and a \$62,000.00 transfer to a **SHTV, LLC** account. Analysis of the **SHTV, LLC** account where the \$62,000.00 was transferred to, found \$18,000.00 in transfers to **SCHWARTZ'S** personal account.

Khoddami received a subscription agreement from **SCHWARTZ** stating that "The Venture Fund has been founded for the purposes of investment in venture capital investments".

After investing, Khoddami received a letter from **SCHWARTZ** stating that his investment monies would be used in "exciting new ventures in which the Fund will be investing".

Khoddami said his investment monies were supposed to be placed into an interest bearing account pending negotiations by **TVP, LLC** to purchase a company; and any monies not used for purchase of an investment company would be returned to him. All representations made to Khoddami prior to his investing in the **Tahoe Venture Fund** came from investor Pete Chambers.

SCHWARTZ converted Khoddami's investment funds to his own personal use; funds that had been placed in **SCHWARTZ'S** possession for the authorized purpose of investing in venture capital companies.

Khoddami's loss is \$100,000.00.

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**COUNT 14
THEFT**

Victim: Jim Francis:

Francis said he was first introduced to the **TVP, LLC** project in 2007 by investor Pete Chambers. Chambers told Francis that **TVP, LLC** was working on three projects involving fire suppression, artificial joints, and geothermal technology. Francis said that he was told that **TVP, LLC** was entering into a formal agreement with Barricade International, Inc, and that if his monies were not invested in the Barricade project, they would be returned.

Bank records reveal that Francis' investment check of \$100,000.00 was deposited into a **TVP, LLC** account on 9/24/2007 taking the account balance to \$100,053.73. Between September 24 and November 30, 2007, debits to the account included but are not limited to \$96,200.00 to **SCHWARTZ'S** personal account (multiple transfers). Analysis of **SCHWARTZ'S** personal account found that over \$30,000.00 was transferred to Helen Schwartz.

Francis received a subscription agreement from **SCHWARTZ** stating that "The Venture Fund has been founded for the purposes of investment in such venture capital investments as the General Partner in its experience and judgment approves".

After investing, Francis received a letter from **SCHWARTZ** stating that his investment monies would be used in the "exciting new ventures in which the Fund will be investing". All representations made to Francis prior to his investing in the **Tahoe Venture Fund** came from investor Pete Chambers.

SCHWARTZ converted Francis' investment funds to his own personal use; funds that had been placed in **SCHWARTZ'S** possession for the authorized purpose of investing in venture capital companies.

Francis' loss is \$100,000.00.

**COUNT 15
THEFT**

Victim: Marilyn Rappaport:

Rappaport said she first spoke to **SCHWARTZ** about the **TVP, LLC** investment project in

1 June 2008, when she met **SCHWARTZ** at the Adagio Trust Company Office in Reno, NV. At
2 this meeting, **SCHWARTZ** told Rappaport that **TVP, LLC's** purpose was to get in on the
3 ground floor of startup companies. **SCHWARTZ** said that she could make a refundable
4 earnest money deposit that would be held pending her decision to invest the full amount of
5 \$250,000.00 in the **TVP, LLC** subscription agreement.

6 Bank records reveal that Rappaport's earnest money deposit of \$50,000.00 was deposited
7 into a **TVP, LLC** account on 6/16/2008 taking the account balance to \$50,589.51. Between
8 June 16 and July 24, 2008, debits to the account included but are not limited to \$47,500.00 to
9 **SCHWARTZ'S** personal account (multiple transfers). Analysis of **SCHWARTZ'S** personal
10 account during this period found \$10,000.00 to Helen Schwartz (wire transfer); \$1,000.00 to
11 Helen Eastwood; and \$6,929.38 to Washington Bank Mortgage; and debits for retail, grocery
12 and Lakeridge Tennis Club expenses.

13 For her investment, Rappaport received an earnest money deposit agreement from
14 **SCHWARTZ** that stated she could reserve the right to subscribe to the **Tahoe Venture Fund**
15 offering, by making a refundable good faith deposit in the amount of \$50,000.00. This
16 agreement also states that her monies would be returned upon request.

17 On or about July 6, 2008, Rappaport requested a return of her earnest money deposit by
18 email to **SCHWARTZ** stating "This investment will not work out for us".

19 On or about September 12, 2008, **SCHWARTZ** responded to Rappaport's request by letter
20 agreeing to refund her \$50,000.00 earnest money deposit with a \$2,500.00 additional
21 payment, in exchange for Rappaport's agreement to wait until a review of the TVP Fund for the
22 purposes of a major institutional investment had been completed. **SCHWARTZ** told
23 Rappaport the review was scheduled to be completed by the end of September 2008.
24 Analysis of **SCHWARTZ'S** bank accounts found that by the date of this letter, September 12,
25 2008, Rappaport's monies had already been spent.

26 **SCHWARTZ** converted Rappaport's investment funds to his own personal use; funds that
27 had been placed in **SCHWARTZ'S** possession for the authorized purpose of holding until
28 Rappaport had made a decision to invest in the **Tahoe Venture Fund**.

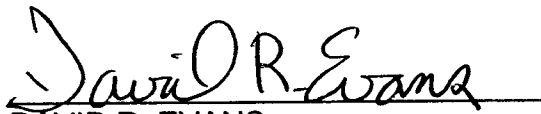
1 Rappaport's loss is \$50,000.00.

2 The theft of funds from the investors occurred between November 22, 2005 and July
3 24, 2008. **SCHWARTZ** hid the existence of these crimes by sending his investors K1 tax
4 forms, emails, and letters; updating them on the purported progress of the venture capital
5 companies. **SCHWARTZ** also sent compromise and release agreements to several investors
6 promising to refund their monies in exchange for additional time for papers to be signed, or in
7 one case, the completion of a purported major institutional review of company records.
8 Investors did not realize the theft of their funds until 2008 and 2009, when **SCHWARTZ** had
9 failed to refund monies as agreed upon, and or, had ceased all communication with them.


10 It is respectfully submitted that the foregoing establishes probable cause that **Jack**
11 **Albert Schwartz** has committed the offenses of FIVE (5) Counts of **Securities Fraud** a felony
12 in violation of NRS 90.570.2, EIGHT (8) Counts of **Theft** a felony in violation of NRS
13 205.0832.1C, and TWO (2) Counts of **Theft** a felony violation of NRS 205.0832.1B, all within
14 the County of Washoe, State of Nevada:

15 Accordingly, I respectfully request that an arrest warrant be issued for **Jack Albert**
16 **Schwartz**.

17 FURTHER YOUR AFFIANT SAYETH NAUGHT

18
19 
20 DAVID R. EVANS
21 Criminal Investigator III
22 Secretary of State, Securities Division

22 State of Nevada
23 County of Washoe
24 SUBSCRIBED and SWORN to before me
25 by David R. Evans
26 this 29th day of April, 2011

27 
28 NOTARY PUBLIC, in and for said
County and State

